

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 577 - SB 1102

March 30, 2009

SUMMARY OF BILL: Removes the 23 year-old age limitation to receive a tuition waiver for a dependent child whose parent was killed in action, was a prisoner of war or missing in action during a qualifying period of conflict; expands the tuition exemption to every dependent child whose parent served in the armed forces and received the Purple Heart decoration or was wounded as a result of enemy action and received a discharge other than a dishonorable discharge; and any dependent child whose parent served before July 1, 1999, was recognized by the award of a service or campaign medal and suffered a service-connected death or disability. Determination of eligibility for higher education benefits authorized under T.C.A. 47-7-102 is vested exclusively in the Tennessee Department of Veteran's Affairs.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$1,696,500/FY09-10
\$1,796,900/FY10-11**

Other Fiscal Impact – The number of dependent children whose parents served before July 1, 1999, and received a service connected disability cannot be determined. The extent of such disability also cannot be determined. However, it is estimated that to expand the tuition waiver to this class of individuals would result in a significant increase in state expenditures.

Assumptions:

- The number of dependent children who would remain eligible due to the removal of the age limitation is estimated to be not significant since the number of children who are in this class is estimated to be small.
- The number of purple hearts received by Tennessee veterans is estimated to be 22,993 eligible veterans.
- Of the 22,933 eligible veterans, an estimated 25 percent will have one eligible dependent, a total of 5,733 dependents.
- Using a participation rate of 5%, the number of eligible participants would be 287.

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- The average tuition/fees per dependent that would be waived are estimated to be \$5,911 per year.
- First year costs (FY09-10) are estimated to be \$1,696,457 (287 dependents x \$5,911).
- Second year costs (FY10-11) are estimated to be \$1,796,944 (304 dependents x \$5,911).
- The increase in tuition is estimated at six percent.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director

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